

Mayor's Proposed Budget - Overview

Fiscal Year 2012

City of Fresno

Presentation to Council
May 19, 2011

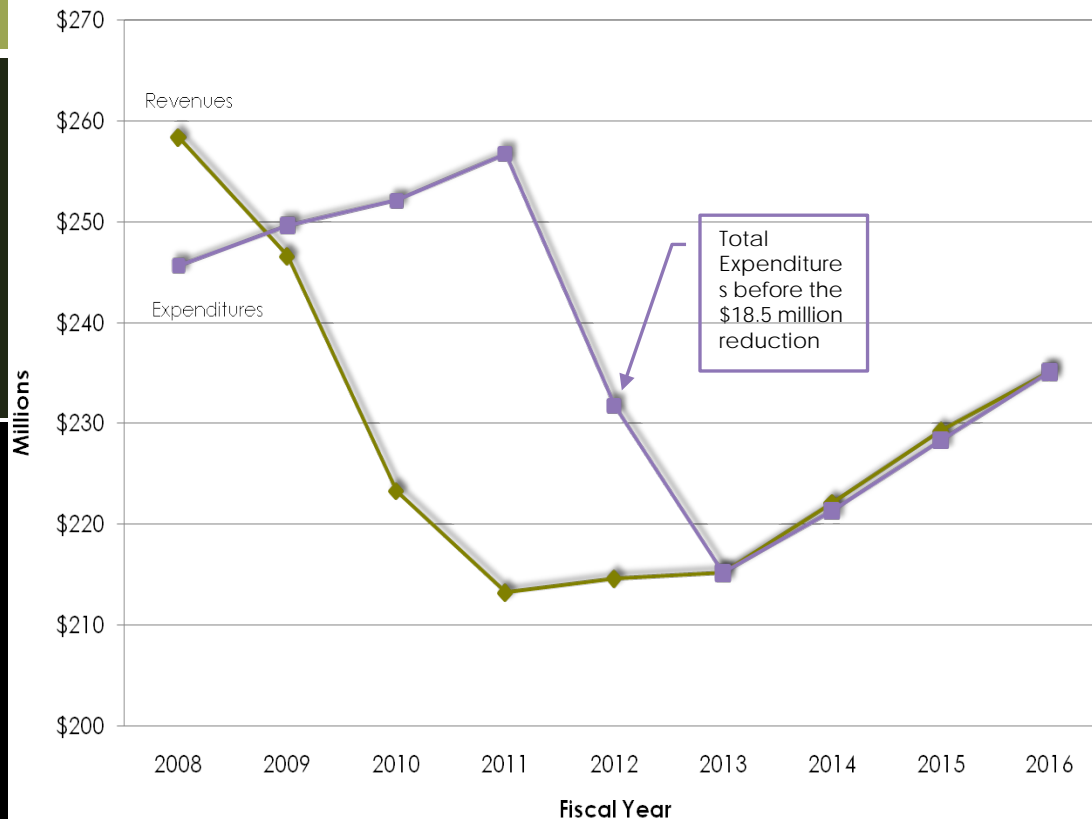




Introduction

- 7th consecutive budget containing significant reductions
- Two scenarios are being presented:
 - Administration's recommendation includes:
 - 3% across-the-board concessions
 - Commercial solid waste franchise
 - Council Budget Options if concessions and/or franchise not approved by June 30th

General Fund 5 Year Forecast



- Mayor's Proposed Budget achieves structural balance
- The structural imbalance topped \$87.9 million just two years ago
- **Seven** consecutive spending plan reductions totaling almost \$100 million were required to address the gap between ongoing revenue and ongoing expenditures
- The size of our government workforce is smaller by over 21% so the focus is on providing core services
- Stability is fragile and we still have a long way to go to long term fiscal health



Guiding Principles

- Sufficiently fund core operations
- Apply a standard of excellence
- Consider financial health of the organization
- Use partnerships
- Deal with short-term and long-term needs



Programs/Services in the Budget

- All fire stations kept open
- Prisoner Arraignment Bed program
- Increase staffing levels for emergency dispatch workers
- Fully funding the graffiti abatement program
- New pothole strike team
- Keeping all parks, pools and neighborhood centers open
- Paying \$4.2 million towards negative fund balances



FY 2012 Work Plan

- 5 year utility rate plan
- 2035 General Plan update
- Completing form-based codes, Downtown Neighborhoods & Fulton Corridor Specific Plan environmental process and adopt into law
- Charter Review Committee
- Economic development programs – industrial infrastructure
- Granite Park
- Defend the RDA
- Reduce health care costs
- Contract compliance
- Improve accounting & finance systems, including internal service and enterprise funds
- 10 year plan to end homelessness
- High Speed Rail
- Ongoing public safety challenges



Financial Overview of the City

- Lack of General Fund operating or emergency reserves
- Existing negative fund balances
- No cushion for operating deficits
- Heavy debt service loads
- Increasing “Compensated Absence” liability
- Increasing “Other Post-Employment Benefit (OPEB)” liability
- A potentially underfunded risk/liability fund
- Uncertainty of future Redevelopment Agency funding
- Overall credit rating risk

Administration's Recommendation

<i>FY 2012 Proposed Reductions</i>	<i>Savings</i>
Annualized savings from FY11 spring employee contraction	\$2,100,000
Additional FY12 departmental operational cuts	385,000
Spread 27 th pay period cost over future years	2,500,000
MSC lease or sale to GF	500,000
Reduce Planning Enterprise subsidy from GF	850,000
Met capitalized interest used for D/S	1,500,000
Establish roll-off container franchise fee	500,000
Abandon Airport police conversion back to GF	1,000,000
Recognize Sales Tax & Business License revenue gains	451,000
Spread Zoo & Convention Ctr repayment over 2 years	800,000
Further cuts to Mayor/CMO by eliminating Call Center	114,000
Additional OIR budget cuts	25,000

<i>FY 2012 Proposed Reductions</i>	<i>Savings</i>
Eliminate scheduled COPS grant backfill	500,000
Reduce Mosqueda Center utilities cost	40,000
Use Quimby fee revenue for Parks improvements	300,000
Postpone land use data base software investment	130,000
Use PS impact fees for Narrow Band grant match	850,000
Fire Dept grant expense transfer & negotiate savings in medical aid contract	332,000
Increase Parks gate & reservation fees on holidays/peaks	100,000
Other miscellaneous savings & revenues	161,000
Parking fund recovery delayed 1 year	500,000
Franchising of Commercial Solid Waste	1,900,000
3% employee concession	3,000,000
Total Reductions	\$18,538,000

Council Budget Options

Option	FY 2012 Fiscal Impact	FY 2012 Positions Impacted*	FY 2012 Citizen Impact								
Council Districts each cut additional \$20,000	\$140,000	7	General Public								
City Attorney cut additional	180,000	1-2	General Public								
Closing all remaining community centers, other than Dickey Youth Center that are not operated by community based organization	574,000	8	675 average daily attendance								
Shut off field lights at parks unless a reservation is made	240,000	--	2,500 average daily attendance								
3 month furlough of Parks Maintenance employees (Nov-Jan)	400,000	18	General Public								
Additional 2 weeks of furlough for all employees, (subject to MOU constraints)	600,000	(no additional layoffs, but 2,120 employees affected)	General Public								
Eliminate FY2012 “negative fund balance” reduction (Police Officer attrition drop additional 8 positions in FY 2013 to pay off the negative fund balance deferral)	800,000	--	General Public								
Eliminate one Graffiti Abatement crew	200,000	4	Primarily non-CDBG eligible areas								
Close Pools at Mary Ella Brown, Mosqueda, Frank H. Ball & Airways	130,000	45 seasonal temps	Recreation Swim =24,790; Lessons=2,013;								
Eliminating proposed prisoner arraignment bed program	150,000	4 temps	General Public								
Reducing the Senior Hot Meals program	350,000	1 Supervisor & 10 year round temps	48,000 meals								
Eliminate more Police Dept civilian positions when grant funds expire	498,000	5 & 5 temps	General Public								
Police Officer attrition to drop an additional 5 positions before hiring back in FY 2012 and additional 8 in FY 2013	500,000	--	General Public								
Closing a fire station and reducing firefighter staffing to 63 per shift	500,000	--	General Public								
Closing a second fire station (reduce minimum staffing to 60 in FY 2013)	100,000	--	General Public								
Total Savings	\$5,362,000	<table><tr><th>* Positions Impacted Summary</th><th># of Positions</th></tr><tr><td>Permanent Positions</td><td>27</td></tr><tr><td>Temporary/Seasonal Positions</td><td>64</td></tr><tr><td>Furloughed Positions</td><td>2,138</td></tr></table>		* Positions Impacted Summary	# of Positions	Permanent Positions	27	Temporary/Seasonal Positions	64	Furloughed Positions	2,138
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General Fund Five Year Forecast

<i>Administration's Recommendation</i>	<i>FY 2012 Proposed</i>	<i>FY 2013 Forecast</i>	<i>FY 2014 Forecast</i>	<i>FY 2015 Forecast</i>	<i>FY 2016 Forecast</i>
Operating Revenues	205,397	204,364	211,032	217,994	223,617
Franchise Tax	10,022	10,834	11,051	11,272	11,497
Deficit Recovery	(800)	0	0	0	0
Total Resources	214,619	215,198	222,083	229,266	235,114
Expenditures					
Employee Services	137,589	140,246	145,246	150,956	156,994
All Other	77,030	74,894	76,051	77,339	78,080
Total Expenditures	214,619	215,140	221,297	228,295	235,074
Total Resources less Expenditures	0	58	786	971	40

<i>Council Budget Option</i>	<i>FY 2012 Proposed</i>	<i>FY 2013 Forecast</i>	<i>FY 2014 Forecast</i>	<i>FY 2015 Forecast</i>	<i>FY 2016 Forecast</i>
Operating Revenues	205,397	204,826	210,124	216,464	221,455
Franchise Tax	8,122	8,284	8,450	8,619	8,792
Deficit Recovery	0	(800)	0	0	0
Total Resources	213,519	212,310	218,574	225,083	230,247
Expenditures					
Employee Services	136,934	139,168	144,168	149,834	155,828
All Other	76,123	73,993	75,151	76,439	77,180
Total Expenditures	213,057	213,161	219,319	226,273	233,008
Total Resources less Expenditures	462	(851)	(745)	(1,190)	(2,761)